Interim Report | Q1 2015

SNP | The Transformation Company

Key figures at a glance

Unless otherwise specified in € million	Q1 2015	Q1 2014
Backlog (as of 31 March)	**18.9**	**11.1**
Revenue	**12.2**	**8.0**
- Software	2.7	2.5
- Professional Services	9.5	5.5
EBIT	**1.0**	**0.7**
- Margin (%)	8.3	8.8
Consolidated net income	**0.6**	**0.4**
Earnings per share (€)		
- Undiluted	0.17	0.10
- Diluted	0.17	0.10
Number of shares (million)	**3.738**	**3.738**
Equity	**14.6**	**14.2**
- Ratio (%)	34.2	58.5
Number of employees (as of 31 March)	**349**	**252**
Personnel costs	**7.3**	**5.0**

Interim Group management report
for the period from 1 January to 31 March 2015

The SNP Group

Business activities

Digital transformation and the ability to respond quickly to changes in the business environment are today crucial factors in competitions across all sectors. SNP AG helps companies to consolidate their IT landscapes and to adapt to new general conditions quickly and economically. SNP sees itself as a catalyst and accelerator of digital transformation. In SNP Transformation Backbone®, SNP provides the world's first standard software for the automated analysis and standardised implementation of changes in IT systems. It is based on the experience that SNP has gathered from more than 4,000 projects worldwide with its software-based services for Business Landscape Transformation.

Since the start of 2015, SNP AG has employed around 350 people in Europe, South Africa and the United States, around 250 of whom in Germany. Following the majority takeover of RSP Reinhard Salaske & Partner Unternehmensberatung GmbH as at the start of 2015, around 70 employees relate to RSP. SNP AG, Heidelberg, generated revenue of € 30.5 million (not including RSP) in 2014. Its customers are global corporations operating in industry and the finance and service sectors. SNP AG was founded in 1994 and has been listed since 2000. It was admitted to the Prime Standard of the Frankfurt Stock Exchange (ISIN DE0007203705) in August 2014.

Group structure

In addition to SNP Schneider-Neureither & Partner AG, headquartered in Heidelberg, the SNP Group also comprises the following equity investments as at 31 March 2015:

- SNP Consulting GmbH, Thale, Germany
- RSP Reinhard Salaske & Partner Unternehmensberatung GmbH, Wiehl, Germany
- SNP Applications GmbH, Heidelberg, Germany
- SNP Business Landscape Management GmbH, Heidelberg, Germany
- SNP Austria GmbH, Linz, Austria
- SNP (Schweiz) AG, Zug, Switzerland
- Schneider-Neureither & Partner Iberica, S.L., Madrid, Spain
- SNP America, Inc., Jersey City, NJ, USA
- SNP Schneider-Neureither & Partner ZA (Pty) Limited, Johannesburg, South Africa

In January 2015, SNP AG acquired 74.9% of the shares in RSP Reinhard Salaske & Partner Unternehmensberatung GmbH in a share deal under civil law. It was also agreed that the remaining 25.1% of the shares would be formally acquired at a fixed purchase price with effect from 1 January 2018. From a Group accounting perspective, 100% of the shares are allocable to SNP AG with effect from 1 January 2015.

Significant events in the first quarter of 2015

Successful company acquisition

Effective 1 January 2015 SNP AG acquired 74.9% of shares in RSP Reinhard Salaske & Partner Unternehmensberatung GmbH. SNP AG will formally acquire the remaining 25.1% of the shares at a fixed purchase price with effect from 1 January 2018. The total purchase price for the shares in the IT service and management consulting company based in Wiehl near Cologne is a mid- to high-seven-figure amount. The purchase agreement was closed on 30 January 2015.

RSP advises and supports companies across all industries in SAP® launch projects and in the optimisation of their business processes with the use of suitable IT systems and applications. The investment allows SNP AG to expand its strategy- and process-oriented consulting range and, at the same time, to extend its value chain on the market for company transformations.

Joint venture with Axxiome Deutschland GmbH

In February, Axxiome Deutschland GmbH and SNP AG agreed a strategic cooperation on IT projects in the banking and insurance sector as a joint venture. The joint venture operates under the name SNP Axxiome GmbH and is based in Frankfurt. It assists banks and insurance companies in the implementation of new software solutions and the adjustment of existing IT landscapes to changing economic and technical conditions. The collaboration between SNP and Axxiome will combine IT expertise and a deep understanding of the industry to create an end-to-end solution. SAP® customers in particular will benefit from the many years of experience of both companies with SAP® industry solutions.

SNP secures one of the biggest orders in its history

Also in February, SNP was commissioned to divide the SAP® system landscape of a major US computer and IT company. With an order volume of around USD 5 million, this is one of the biggest contracts in the history of SNP.

Formation of a new subsidiary

SNP Business Landscape Management GmbH, wholly owned by the SNP Group, was founded in March. The purpose of the subsidiary is the sale of IT consulting services and software. In particular, the company provides a holistic consulting concept for service and support processes in ERP system landscapes.

Also wholly owned by the SNP Group, SNP Applications GmbH was founded in December 2014. This subsidiary bundles the software products SNP Dragoman and SNP Data Provisioning & Masking into an independent operating unit. In addition, the appropriately specialised staff members from telesales, telemarketing, development and support have also been integrated into the new company.

Placement of a corporate bond

Also in March, SNP Schneider-Neureither & Partner AG placed a corporate bond with a volume of € 10.00 million on the capital market. The bonds were exclusively offered to qualifying investors in Germany and abroad as part of a private placement. The corporate bond has a coupon of 6.25% p.a. and matures in March 2020. The bond is traded on the open market on the Frankfurt Stock Exchange under ISIN DE000A14J6N4 and securities code number A14J6N.

The net issue proceeds grant SNP AG the necessary financial freedom to make reasonable additions to the Group's range of services with the targeted acquisition of companies, thereby continuously extending the business activities of the SNP Group.

Second class commences at training centre

In light of the success of the training centre founded in Magdeburg in October 2014, the second trainee programme was already launched at the end of the reporting period. The training programme is intended for college graduates who will learn the theoretical foundations as part of an academy. With the new training centre in Magdeburg, SNP AG is specifically backing the training of junior employees for the company's growth, to give them the best possible preparation for the high demands of SNP.

Economic report

Overall economic development

At the start of the year, the International Monetary Fund (IMF) adjusted its growth forecast for the global economy from last autumn downwards slightly. The growth forecast for 2015 dropped from 3.8% to currently 3.5%. While the declining price of oil has triggered growth stimulus, this will be counteracted by unfavourable factors such as a low investment rate due to lower growth projections.

Germany, like most of the major economies, is affected by these more muted economic prospects. The economic growth in Germany forecast by the IMF for 2015 dropped 0.2 percentage points to 1.3%. Economic experts gave an even more modest estimate of German economic performance in their 2014/2015 report. The growth forecast there is only 1.0%. However, this projection was adjusted in a recent statement in March. They are now considerably more optimistic with growth of 1.8%. The reasons for the more optimistic assessment of the economic situation were given as private consumer stimulus and exports, caused by the continuing decline in the price of oil and the depreciation of the euro in the wake of the easing of monetary policy by the European Central Bank (ECB) respectively.

In line with the recent more positive assessment of the general German economic situation, the BITKOM industry association raised its growth forecast for the ITC industry from 0.6% to 1.5% in March. The rise in revenue in the industry will be driven mainly by IT services and software, while business with IT hardware will grow at a slower rate and telecommunications will remain stagnant. Regardless of the portfolio, SMEs can be considered a growth pillar of the ITC sector. 81% of SMEs are forecasting rising revenue in the first half of 2015. Only 6% expect revenue to decline. The BITKOM SME index is therefore still at a high level of 75 points. The index for the industry as a whole is three points lower at 72.

In terms of the global development of the ITC sector, BITKOM is anticipating growth of 2.9%. This will be due primarily to the software area with an expected revenue increase of 6%, followed by telecommunications and IT services with forecast increases of 4.8% and 3.4% respectively. Only IT hardware is expected to see a drop in revenue, of 0.5% in this instance. Currently the fastest growing ITC market is the Chinese one. China is forecast to see growth of 11.7%. Other key markets such as the US and the EU are much further off in terms of growth rates (2.7% and 0.3% respectively).

Net assets, financial position and results of operations

SNP Schneider-Neureither & Partner AG had a very successful start to fiscal year 2015: Compared to the already good first quarter of the previous year, the company is reporting a tangible increase in revenue and earnings after the first three months of the current fiscal year. This was due mainly to a significantly improved order situation in virtually all regions and areas of the company. The first-time consolidation of RSP Reinhard Salaske & Partner Unternehmensberatung GmbH in the quarterly financial statements also had a substantial influence on revenue growth. With the acquisition of RSP GmbH SNP is expanding its strategy- and process-oriented consulting range and, at the same time, extending its value chain on the market for company transformations.

Expressed in figures, the development in the reporting period was as follows: Revenue climbed by 52.2% year-on-year to € 12.2 million in the first quarter. The RSP acquisition contributed around 32% to this revenue increase overall. The rise in revenue was around 18% adjusted for this effect.

In terms of earnings, EBITDA amounted to € 1.3 million (previous year: € 0.9 million) and EBIT to € 1.0 million (previous year: € 0.7 million) in the period under review. Based on these figures, there was an EBITDA margin of 10.4% and an EBIT margin of 8.3%.

The financial situation of the company is consistently positive: Total cash and cash equivalents increased by € 7.4 million as against 31 December 2014. The cash generated by financing activities of € 14.0 million more than compensated for the cash flow used in operating activities of € 3.4 million (previous year: cash flow of € 1.0 million generated), which was due to the rise in receivables and the reduction of liabilities, and the cash used in investing activities of € 3.3 million (previous year: € 0.2 million), with the result that cash and cash equivalents increased to € 13.0 million as at 31 March 2015 (31 December 2014: € 5.7 million).

Overall, the figures for the quarter show that SNP Schneider-Neureither & Partner AG is well on its way to achieving its goals for 2015 as a whole.

Revenue performance

SNP AG's consolidated revenue rose to € 12.2 million in the reporting period with excellent capacity utilisation and a clear rise orders on hand (previous year: € 8.0 million). Compared to the first three months of 2014, this means an increase of 52.2%. RSP Reinhard Salaske & Partner Unternehmensberatung GmbH, included in consolidation for the first time in the reporting period, contributed revenue of € 2.7 million. After adjustment for the acquisition, organic revenue growth as against the first quarter of the previous year therefore amounted to around 18%.

In terms of segment performance, the Professional Services segment, which includes consulting services in particular, generated revenue of € 9.5 million in the first three months of the current fiscal year (previous year: € 5.5 million). This represents an increase of 72.1% as against the same period of the previous year. Adjusted for the acquisition, growth amounted to € 1.5 million or around 28%.

The Software segment (including maintenance) accounted for revenue of € 2.7 million (previous year: € 2.5 million). This corresponds to an increase of 7.9% as against the first quarter of 2014. Within the segment, maintenance revenue in particular rose significantly by € 0.5 million (€ 0.2 million of which due to acquisitions) to € 0.9 million. By contrast, licence revenue was down slightly by € 0.3 million on account of the strong first quarter of 2014. The biggest revenue driver in the Software segment was again SNP Transformation Backbone in the first three months of the fiscal year. Including maintenance, the product contributed € 1.6 million (previous year: € 2.0 million) to segment revenue. It thus accounted for around 61% (previous year: 79%) of total software revenue. The drop in the share of revenue is due primarily to increased revenue of the standard software SNP Data Provisioning and Masking. The second-strongest product in the Software segment in terms of revenue generated € 0.4 million (previous year: € 0.2 million) in the reporting period.

The order backlog of € 18.9 million as at 31 March 2015 was around 70% higher than the previous year's figure of € 11.1 million.

Results of operations

The positive trend in the result of operations continued in the reporting period: Despite not inconsiderable extraordinary costs for further growth, EBITDA improved from € 0.9 million to € 1.3 million. EBIT amounted to € 1.0 million as against € 0.7 million in the same period of the previous year. This corresponds to profit margins of 10.4% (EBITDA) and 8.3% (EBIT). This performance was achieved despite ongoing investments in organic growth and growth through acquisitions. Staff costs increased by € 2.2 million in the reporting period to € 7.2 million. € 1.5 million of this relates to RSP, which was included in consolidation for the first time. Other operating expenses increased by € 1.0 million to € 2.9 million, with RSP accounting for € 0.3 million. On the other hand, other operating income climbed from € 0.1 million to € 0.6 million, primarily as a result of currency effects.

As other financial expenses amounted to € 0.1 million in the reporting period while other financial income was only immaterial, net financial income was negative at € -0.1 million (previous year: € -22 thousand), resulting in earnings before taxes of € 0.9 million (previous year: € 0.7 million). With income taxes of € 0.3 million (previous year: € 0.3 million) there was a net profit for the period of € 0.6 million after € 0.4 million in the same period of the previous year. This corresponds to a net margin of 5.3%. Diluted and basic earnings per share therefore amounted to € 0.17 (previous year: € 0.10).

Net assets

Total assets rose significantly by € 16.5 million as against 31 December 2014 to € 42.6 million, mainly as a result of the acquisition of RSP and the placement of a corporate bond.

Current assets increased by € 9.6 million to € 27.4 million. This was due essentially to a rise in cash and cash equivalents of € 7.4 million following the placement of the corporate bond and higher trade receivables (up € 1.9 million). The higher trade receivables predominantly result from the first-time consolidation of RSP and the generally higher business volume.

Non-current assets climbed in the reporting period from € 8.3 million as at 31 December 2014 to € 15.2 million as at 31 March 2015. The increase was caused essentially by the rise in recognised goodwill from € 4.0 million to € 10.2 million as a result of the acquisition of RSP.

Financial position

Current liabilities declined only insubstantially in the period under review from € 9.8 million as at 31 December 2014 to € 9.6 million as at 31 March 2015. While current liabilities to banks rose by € 1.5 million to € 2.1 million as a result of the borrowing of a bank loan to finance the acquisition of RSP, trade payables were down by € 2.3 million to € 1.6 million as a result of the settlement of a liability in connection with the acquisition of software licences. The increase of € 0.2 million in provisions and of € 0.4 million in other current liabilities and deferred income resulted essentially from the acquisition of RSP.

By contrast, non-current liabilities rose significantly in the first three months of 2015 to € 18.4 million as at 31 March 2015 (31 December 2014: € 2.5 million). This is due to several factors: For example, liabilities from the placement of a corporate bond amounted to € 9.8 million (previous year: € 0.0 million). In addition, a bank loan was borrowed to finance the acquisition of RSP, causing non-current liabilities to banks to rise by € 1.7 million to € 4.1 million. Non-current liabilities in connection with the acquisition of the outstanding shares of RSP and the recognition of a contingent purchase price commitment increased other non-current liabilities by € 3.2 million. Provisions for pensions rose by € 0.3 million to € 1.1 million, essentially as a result of provisions from the first-time consolidation of RSP.

The company's equity grew from € 13.9 million to € 14.6 million in the first three months of 2015. Issued capital, capital reserves, the other components of equity and treasury shares were unchanged. Retained earnings increased by € 0.6 million as a result of the net income for the year generated, other reserves rose slightly by € 0.1 million. Overall, total assets rose to € 42.6 million as at 31 March 2015 (31 December 2014: € 26.2 million), which reduced the equity ratio from 53.1% to 34.2%.

The negative cash flow used in operating activities of € -3.4 million (previous year: € 1.0 million) in the first three months of fiscal year 2015 is due essentially to the rise in receivables coupled with the reduction in trade payables.

The negative cash flow used in investing activities of € -3.3 million (previous year: € -0.2 million) was largely due to the payment for the acquisition of the operations of RSP GmbH. The payment for the acquisition of business operations in the amount of € 3.2 million is composed of the initial purchase price instalment of € 4.5 million less the cash and cash equivalents acquired from RSP in the amount of € 1.3 million.

This was offset by cash generated by financing activities of € 14.0 million (previous year: net cash used of € 0.2 million), € 10.0 million of which was due to the corporate bond issued and € 4.5 million of which to the borrowing of a loan. This was offset by payments for loan repayments of € 0.5 million.

The total cash flow amounted to € 7.4 million in the period under review (previous year: € 0.7 million). Taking into account the changes shown, cash and cash equivalents increased to € 13.0 million as at 31 March 2015. Cash and cash equivalents had amounted to € 5.7 million as at 31 December 2014. SNP AG's financial position is therefore still very solid overall.

Employees

In the reporting period the number of employees increased from 280 as at 31 December 2014 to 349 as at 31 March 2015. The significant rise in headcount is due to the majority acquisition of RSP Reinhard Salaske & Partner Unternehmensberatung GmbH, which employed 70 people as at 31 March 2015.

These figures include three members of the Executive Board (31 December 2014: three), seven managing directors (31 December 2014: four) and 20 trainees, students, pupils and interns (31 December 2014: 15). There were no employees in partial early retirement in the first three months of 2015 (31 December 2014: 0). The average number of employees in the reporting period was 346.

Report on risks and opportunities, forecast

Risks and opportunities

The operating and financial risks are explained in detail in the 2014 annual report within the Group management report. Business potential is also reported on under "Opportunities and forecast". There were no material changes in the risk and opportunities profile of SNP AG in the reporting period.

Forecast

With revenue and earnings performance in line with expectations and the consistently positive order situation, the Executive Board is confirming its forecast for fiscal year 2015 and is still projecting consolidated revenue of between € 47 and € 49 million with an operating EBIT margin of at least 6%.

Supplementary report

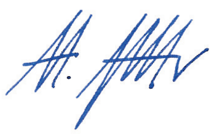
Proposal for the payment of a dividend of € 0.13 per share

SNP AG will be standing by its ongoing distribution policy in future as well. The Supervisory Board and the Executive Board intend to propose the payment of a dividend of € 0.13 per share for fiscal year 2014 at the Annual General Meeting in May. This would correspond to a dividend increase of around 63% as against the previous year.

There were no other significant events after 31 March 2015.

The Executive Board

Dr. Andreas Schneider-Neureither



Henry Göttler

Jörg Vierfuß

Consolidated Balance Sheet
as at 31 March 2015

ASSETS

€ k	31.03.2015	31.12.2014	31.03.2014*
Current assets			
Cash and cash equivalents	13,032	5,681	7,060
Trade receivables	12,479	10,609	8,190
Current tax assets	1,015	915	666
Other current assets	916	677	566
	27,442	**17,882**	**16,482**
Non-current assets			
Goodwill	10,187	3,980	3,752
Intangible assets	1,418	1,210	1,362
Property, plant and equipment	1,421	1,231	1,116
Participations accounted for in accordance with the equity method	25	0	0
Other non-current assets	148	71	85
Non-current tax assets	10	6	9
Deferred taxes	1,977	1,793	1,431
	15,186	**8,291**	**7,755**
	42,628	**26,173**	**24,237**

EQUITY AND LIABILITIES

€ k	31.03.2015	31.12.2014	31.03.2014*
Current liabilities			
Liabilities due to banks	2,100	600	600
Trade payables	1,644	3,898	898
Provisions	379	160	92
Tax liabilities	134	149	454
Other current liabilities	5,389	4,975	3,739
	9,646	**9,782**	**5,783**
Non-current liabilities			
Corporate bond	9,810	0	0
Liabilities due to banks	4,120	1,650	2,100
Provisions for pensions	1,072	727	566
Deferred taxes	173	124	155
Other non-current liabilities	3,209	0	1,450
	18,384	**2,501**	**4,271**
Equity			
Subscribed capital	3,738	3,738	3,738
Capital reserves	7,189	7,189	7,189
Retained earnings	4,077	3,429	3,389
Other reserves	9	-51	20
Treasury shares	-415	-415	-415
Equity attributable to shareholders	**14,598**	**13,890**	**13,921**
Non-controlling interests	0	0	262
	14,598	**13,890**	**14,183**
	42,628	**26,173**	**24,237**

* Adjustment of prior values, see notes to „Mergers ans acquisitions" in the Notes to Consolidated Financial Statements.

The following notes are an integral part of the consolidated financial statements.

Consolidated Income Statement
for the period from 1 January to 31 March 2015

€ k	Q1-2015	Q1-2014
Revenue	**12,178**	**8,002**
Professional Services	9,495	5,516
Licenses	1,820	2,101
Maintenance	863	385
Other operating income	638	56
Cost of material	-1,428	-295
Personnel costs	-7,257	-5,021
Other operating expenses	-2,855	-1,825
Other taxes	-13	-7
EBITDA	**1,263**	**910**
Depreciation and impairments on intangible assets and property, plant and equipment	-249	-205
EBIT	**1,014**	**705**
Income from participations accounted for in accordance with the equity method	0	0
Other financial income	0	0
Other financial expenses	-109	-22
Net financial income	**-109**	**-22**
EBT	**905**	**683**
Income taxes	-257	-266
Consolidated net income/loss (-)	**648**	**417**
Of which:		
Profit attributable to non-controlling shareholders	0	40
Profit attributable to shareholders of SNP Schneider-Neureither & Partner AG	648	377
Earnings per share	**€**	**€**
- Undiluted	0,17	0,10
- Diluted	0,17	0,10
Weighted average number of shares	**in thousands**	**in thousands**
- Undiluted	3,716	3,716
- Diluted	3,716	3,716

The following notes are an integral part of the consolidated financial statements.

Consolidated Statement of Comprehensive Income
for the period from 1 January to 31 March 2015

€ k	Q1-2015	Q1-2014
Net income for the period	**648**	**417**
Items that may be reclassified subsequently to profit or loss		
Currency translation differences	60	4
Deffered taxes on differences from currency conversion	0	0
	60	**4**
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit pension plans	0	0
Deferred taxes on remeasurements of defined benefit pension plans	0	0
	0	**0**
Income and expenses directly recognised in equity	**60**	**4**
Total comprehensive income	**708**	**421**
Profit attributable to non-controlling interests	0	40
Profit attributable to shareholders of SNP Schneider-Neureither & Partner AG in total comprehensive income	**708**	**381**

The following notes are an integral part of the consolidated financial statements.

Consolidated Cash Flow Statement
for the period from 1 January to 31 March 2015

in T€	Q1-2015	Q1-2014
Profit after tax	**648**	**417**
Depreciation	249	205
Change in provisions for pensions	15	11
Other non-cash income/expenses	-760	40
Change in trade receivables, other current assets, other non-current assets	-72	369
Changes in trade payables, other provisions, tax liabilities, other current liabilities	-3,494	-20
Cash flow from operating activities (1)	**-3,414**	**1,022**
Payments for investments in property, plant and equipment	-82	-167
Payments for investments in intangible assets	-1	-5
Payments for investments in at-equity participations	-25	0
Payments for the acquisition of business operations	-3,203	0
Proceeds from disposal of tangible fixed assets	7	6
Cash flow used in investing activities (2)	**-3,304**	**-166**
Dividend payments	0	0
Dividend payments to non-controlling shareholders	0	0
Payments for purchase of shares in non-controlling shareholders	0	0
Proceeds from the issue of corporate bonds	10,000	0
Proceeds from loans	4,500	0
Payments on loans received	-525	-150
Cash flow used in financing activities (3)	**13,975**	**-150**
Effects of exchange rate changes on cash and bank balances* (4)	94	-1
Cash change in cash and cash equivalents (1) + (2) + (3) + (4)	**7,351**	**705**
Cash and cash equivalents at the beginning of the fiscal year	5,681	6,355
Cash and cash equivalents at 31 March	**13,032**	**7,060**
Composition of cash and cash equivalents:		
Cash and cash equivalents	13,032	7,060
Cash and cash equivalents at 31 March	**13,032**	**7,060**

* Previous year's cash flow was adjusted with respect to the exchange rate changes.

The following notes are an integral part of the consolidated financial statements.

Consolidated Statement of Changes in Equity
for the period from 1 January 2013 to 31 March 2015

€ k	Subsribed capital	Capital reserve	Retained earnings
As of 01.01.2013	**1,246**	**7,189**	**8,800**
Capital increase from company funds	2,492		-2,492
Acquisition of treasury shares			
Dividend payment			-892
Total comprehensive income			-2,405
As of 31.12.2013	**3,738**	**7,189**	**3,011**
Total comprehensive income			377
As of 31.03.2014	**3,738**	**7,189**	**3,388**
Acquisition of minority interests			-275
Acquisition of treasury shares			
Dividend payment			-297
Total comprehensive income			613
As of 31.12.2014	**3,738**	**7,189**	**3,429**
Total comprehensive income			648
As of 31.03.2015	**3,738**	**7,189**	**4,077**

The following notes are an integral part of the consolidated financial statements.

Other components of equity						
Currency conversion	**Revaluation of performance-oriented obligations**	**Other components of quity Total**	**Treasury shares**	**Shareholders of SNP AG attributable capital**	**Non-controlling shares**	**Total equity**
41	**-81**	**-40**	**-379**	**16,816**	**181**	**16,997**
				0		0
			-36	-36		-36
				-892	-45	-937
51	6	57		-2,348	86	-2,262
92	**-75**	**17**	**-415**	**13,540**	**222**	**13,762**
4		4		381	40	421
96	**-75**	**21**	**-415**	**13,921**	**262**	**14,183**
				-275	-225	-500
				0		0
				-297	-37	-334
24	-96	-72		541	0	541
120	**-171**	**-51**	**-415**	**13,890**	**0**	**13,890**
60	0	60		708	0	708
180	**-171**	**9**	**-415**	**14,598**	**0**	**14,598**

Notes to the interim consolidated financial statements
for the period from 1 January to 31 March 2015

Company information

SNP Schneider-Neureither & Partner AG (SNP AG or the "company") is a listed corporation domiciled in Heidelberg, Germany. These interim consolidated financial statements for the period 1 January to 31 March 2015 were approved for publication by way of resolution of the Executive Board on 29 April 2015.

Basis of reporting

These condensed interim consolidated financial statements were prepared in accordance with IAS 34 "Interim Financial Reporting". Accordingly, this interim report does not contain all the information and disclosures required in accordance with IFRS for consolidated financial statements at the end of a fiscal year. The accounting policies applied in these interim financial statements are essentially the same as those applied in the consolidated financial statements at the end of fiscal year 2014. A detailed description of the accounting principles is published in the notes to the consolidated financial statements in the 2014 Annual Report, which can be viewed at www.snp-ag.com under Investor Relations/Financial Publications.

The application of the standards that were required to be applied for the first time from 1 January 2015 did not have a material effect on the interim consolidated financial statements.

There were no seasonal influences.

Consolidated group

In addition to the parent company SNP Schneider-Neureither & Partner AG, Dossenheimer Landstrasse 100, 69121 Heidelberg, Germany, the consolidated group includes the following subsidiaries in which SNP Schneider-Neureither & Partner AG indirectly holds the majority of voting rights.

Subsidiary	Shareholding in %
SNP (Schweiz) AG, Zug/Switzerland	100.00
SNP Austria GmbH, Linz/Austria	100.00
SNP Consulting GmbH, Thale/Germany	100.00
SNP America Inc., Jersey City/NJ/USA	100.00
SNP Schneider-Neureither & Partner ZA (Pty) Limited, Johannesburg/South Africa	100.00
Schneider Neureither & Partner Iberica, S.L. Madrid/Spain	100.00
SNP Applications GmbH, Heidelberg/Germany	100.00
RSP Reinhard Salaske & Partner Unternehmens-beratung GmbH, Wiehl/Germany*	100.00
SNP Business Landscape Management GmbH, Heidelberg/Germany**	100.00

* In January 2015, SNP AG acquired 74.9% of the shares in RSP Reinhard Salaske & Partner Unternehmensberatung GmbH in a share deal under civil law. It was also agreed that the remaining 25.1% of the shares would be formally acquired at a defined purchase price effective 1 January 2018. From an economic perspective, the shares are already allocable to SNP AG effective 1 January 2015.

** SNP Business Landscape Management GmbH was created as a new company and included in consolidation for the first time in fiscal year 2015.

Associates

The Group's shares in associates are accounted for using the equity method. An associate is a company over which the Group has significant influence.

In February 2015, SNP AG and Axxiome Deutschland GmbH agreed a strategic partnership for IT projects in the banking and insurance sector. On 6 February 2015, the two companies formed a joint venture, SNP Axxiome GmbH, headquartered in Frankfurt/Main. SNP AG holds 50% of the shares in this joint venture.

Under the equity method, shares in associates are recognised in the statement of financial position at cost plus the changes in the Group's share of the net assets of the associate that have occurred since the acquisition. The goodwill relating to associates is included in the carrying amount of the equity interest and is neither amortised nor subject to a separate impairment test.

The Group's share of the associates' profit or loss for the period is reported in the income statement. Changes reported directly in the equity of the associates are recognised by the Group in the amount of its interest and, where necessary, shown in the statement of changes in equity. Unrealised profits and losses from transactions between the Group and the associates are eliminated in accordance with the equity interest in the associates.

The Group's share of an associate's profit is reported in the income statement. This is the profit attributable to the shareholders of the associate, and hence the profit after taxes and non-controlling interests in the subsidiaries of the associate.

The financial statements of associates are prepared as at the same date as the consolidated financial statements. Adjustments in line with the Group's uniform accounting methods are made as necessary.

Under the equity method, the Group determines whether an additional impairment loss must be recognised for its shares in an associate. At the end of each reporting period, the Group determines whether there are objective indications that the equity interest in an associate could have become impaired. If this is the case, the difference between the recoverable amount of the interest in the associate and the carrying amount of the "Share in the profit/loss of associates" is recognised as an impairment loss in profit or loss.

Mergers and acquisitions

In January 2015, SNP AG acquired 74.9% of the shares in RSP Reinhard Salaske & Partner Unternehmensberatung GmbH in a share deal. It was also agreed that the remaining 25.1% of the shares would be formally acquired at a defined purchase price with effect from 1 January 2018. From an economic perspective, the shares are already allocable to SNP AG with effect from 1 January 2015. RSP GmbH advises and supports companies across all industries in SAP® launch projects and in the optimisation of their business processes with the use of suitable IT systems and applications. The investment will allow SNP AG to expand its strategy- and process-oriented consulting range while significantly extending its value chain on the market for company transformations. The IT service and management consulting company, which has been active on the market for more than 20 years, currently has around 70 salaried employees and boasts an attractive customer list consisting of large and medium-sized companies from various industries.

The acquisition was closed with economic effect from 1 January 2015; business operations were included in the 2015 consolidated financial statements from this date. In accordance with IFRS 3 Business Combinations, the company was consolidated for the first time in accordance with the purchase method. The goodwill resulting from the acquisition of € 5,961 thousand comprises the value of the anticipated synergies. The goodwill resulting from the acquisition is assigned to the Professional Services segment.

Consideration transferred

The fair values of each major class of consideration as at the acquisition date are shown below:

	€ k
Initial purchase price payment	4,494
Agreed second purchase price instalment	1,382
Contingent consideration	1,817
Total consideration transferred	**7,693**

Costs in connection with the business combination

The Group incurred costs of € 260 thousand for legal and consulting fees in connection with the business combination. These costs are reported in other operating expenses.

Identifiable assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities as at the acquisition date break down as follows:

	€ k
Intangible assets	186
Property, plant and equipment	233
Cash and cash equivalents	1,291
Receivables	1,938
Other assets	280
Trade payables	-599
Other liabilities	-1,267
Pension provisions	-330
Total identifiable net assets acquired	**1,732**

The trade receivables include contrac ual receivables due for which there was no credit risk at the time the consolidated financial statements were prepared, and hence for which no impairment loss was recognised.

Goodwill

Goodwill was recognised as follows as a result of the acquisition:

	€ k
Consideration transferred	7,693
Fair value of identifiable net assets	-1,732
Goodwill as at acquisition date	**5,961**

The purchase price for the acquisition of RSP GmbH is divided into a fixed price and a variable component (contingent consideration). The fixed price is payable partially at the acquisition date and partially when the remaining 25.1% of the shares are acquired by SNP AG effective 1 January 2018. The amount of the contingent consideration depends on contractually agreed key performance indicators defined within 36 months of the acquisition date. As the acquisition date, the Group recognised a variable component of € 1,817 thousand, equivalent to the fair value at the acquisition date. The maximum undiscounted payment risk is around € 2,500 thousand. The subsequent purchase price instalment and the contingent obligation are reported under non-current liabilities. The consideration of € 4,494 thousand represents the initial, fixed portion of the purchase price that was paid in full as at 31 March 2015. It therefore represented the cash outflow. No equity instruments were issued to acquire the shares.

Provisional fair value

The cash and cash equivalents, receivables, deferred income, prepaid expenses and liabilities were measured provisionally on the basis of contractual agreements. The carrying amounts are reviewed on an ongoing basis using information and facts that became known after the acquisition date and adjusted in line with the contractual arrangements. If new information on facts and circumstances that existed at the acquisition date and would have resulted in adjustments to the above amounts or additional provisions becomes apparent within a year of the acquisition date, the accounting for the acquisition is adjusted.

The contractually agreed non-compete clause and the order backlog as at 31 December 2014 were classified as substantial and recognised as intangible assets. The non-compete clause is carried at a fair value of € 110 thousand and will be amortised over a three-year period from the date on which the remaining shares are acquired. The order backlog has a carrying amount of € 60 thousand and will be written down in fiscal year 2015 based on the degree of completion.

Corporate bond issue

In March 2015, SNP AG successfully placed a corporate bond with a volume of € 10.00 million. The corporate bond is divided into 10,000 partial bonds each with a nominal value of € 1,000.00. The partial bonds have a term of five years and a coupon of 6.25% p.a.

The corporate bond, less brokerage commission and plus deferred interest, is recognised in the statement of financial position in the amount of € 9,810 thousand.

Net financial income

Other financial expenses include interest payments for loans and borrowings in the amount of € 88 thousand.

Segment reporting
for the period from 1 January to 31 March 2015

The segment report was prepared in accordance with IFRS 8. Taking the Group's internal reporting and organisational structure as a basis, individual Group financial data is presented below according to business segment.

€ k	Professional Services	Software	Total
Segment result			
2015	992	902	1,894
Margin	10.4%	33.6%	15.6%
2014	623	819	1,442
Margin	11.3%	33.0%	18.0%
External revenue			
2015	9,495	2,683	12,178
2014	5,516	2,486	8,002
Depreciation included in the segment result			
2015	119	130	249
2014	152	53	205
Segment assets			
31 March 2015	34,628	5,008	39,636
31 March 2014	18,252	3,880	22,132
Segment investments			
31 March 2015	6,491	0	6,491
31 March 2014	155	16	171

Reconciliation

€ k	Q1-2015	Q1-2014
Net earnings		
Total reportable segments	1,894	1,442
Non-segment-related expenses	-922	-787
Non-segment-related amounts:		
- Other operating income	55	56
- Other taxes	-13	-6
EBIT	**1,014**	**705**
Assets		
Total reportable segments	39,636	22,132
Assets not allocated to the segments	2,992	2,105
Group assets	**42,628**	**24,237**
Assets not allocated to the segments		
- Deferred tax assets	1,977	1,430
- Income tax claims	1,015	675
Total	**2,992**	**2,105**

Additional information on segment reporting

The increase in segment revenue in the first quarter of 2015 compared with the same period of the previous year and the increase in segment assets are attributable to the significant improvement in the order situation and the acquisition of the equity interest in RSP GmbH.

Segment earnings contain the effects of realised and unrealised exchange rate differences due to the pronounced fluctuation in the US dollar and the Swiss franc in the first quarter of 2015.

Additional information on the consolidated statement of cash flows and the consolidated statement of changes in equity

The payment for the acquisition of business operations is composed of the initial purchase price instalment for RSP GmbH in the amount of € 4,494 thousand and the cash and cash equivalents of RSP acquired in the amount of € 1,291 thousand.

Significant actuarial gains/losses from the actuarial measurement of pensions and other post-employment benefits are not expected either at the end of the first quarter of 2015 or at the end of 2015. Currency translation effects reported in equity amounted to € 60 thousand in the first quarter of 2015.

Related party disclosures

Since 1 December 2010, there has been a lease agreement between a member of the Executive Board and SNP AG for office premises and parking spaces. Effective 1 September 2014, two separate agreements (office premises and parking spaces) were concluded for these with unchanged terms. These services are invoiced at arm's-length conditions. Expenses of € 57 thousand (previous year: € 57 thousand) were incurred for this as at 31 March 2015. There were no outstanding liabilities as at 31 March 2015. Since 1 September 2014 and 1 November 2014, there have also been five new rental agreements between a company controlled by a member of the Executive Board and SNP AG for office premises and parking spaces. These services are invoiced at arm's-length conditions. Expenses of € 39 thousand (previous year: € 0 thousand) were incurred for this as at 31 March 2015. There were no outstanding liabilities as at 31 March 2015.

Furthermore, a member of the Executive Board was granted an advance on travel expenses of € 25 thousand in the period under review. No other loans, credits or advances were granted to members of the Executive Board.

Treasury shares

SNP AG did not acquire any additional treasury shares in the period under review.

Other disclosures

The Executive Board and the Supervisory Board do not have any pre-emptive rights to shares in accordance with section 160 (1) nos. 2 and 5 of the German Stock Corporation Act (AktG). In the period under review, there were only insignificant changes in the contingent liabilities and other financial obligations presented as at 31 December 2014.

Pending legal disputes and claims for compensation

The companies included in the consolidated financial statements are not involved in court proceedings, legal disputes or claims for compensation that could have a material influence on the economic situation of the Group.

Heidelberg, 29 April 2015

The Executive Board

Dr. Andreas Schneider-Neureither

Henry Göttler

Jörg Vierfuß

Financial Calendar

30 April 2015	Publication of the Interim Statement for Quarter I
21 May 2015	Annual General Meeting 2015
31 July 2015	Publication of Half Year Figures
30 October 2014	Publication of the Interim Statement for Quarter III
November 2015	German Equity Forum 2014

All dates are provisional only.
The current financial calendar can be consulted at: www.snp-ag.com/eng/Investor-Relations/Financial-calendar

Contact

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This Interim Report is also available in German. The legally binding document is the original German version, which shall prevail in any case of doubt.

Legal notice

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